

IN RE: Application of South Carolina Electric & Gas) ORDER AUTHORIZING
Company for Authority to Issue and Sell) ISSUANCE OF
1,000 Series A Nonvoting Preferred Shares) SECURITIES

SCE&G proposes to issue and sell 1,000 Series A Nonvoting Preferred Shares to its parent company, SCANA Corporation, a South Carolina corporation, for an aggregate cash purchase price of \$100,000. The Series A Nonvoting Preferred Shares will have preferences, limitations, and relative rights as generally described in the Application. In December 2009, SCE&G redeemed all of its outstanding preferred stock, including a series of preferred stock that was SCE&G's only class of equity security registered under Section 12 of the Exchange Act. SCE&G's purpose for issuing the Series A Nonvoting Preferred Shares to its parent company is to create a class of nonvoting equity security that the Company may voluntarily register under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Registration of the Series A Nonvoting

Preferred Shares under Section 12 of the Exchange Act would allow SCE&G to register offers and sales of securities on Securities and Exchange Commission Form S-3 or under its parent SCANA Corporation's automatic shelf registration statement. Without a class of equity security registered under Section 12 of the Exchange Act, SCE&G would not be able to use either Form S-3 or its parent's automatic shelf registration statement to register offers and sales of securities; rather, SCE&G would be required to use Securities and Exchange Commission Form S-1, which is a significantly more expensive and time-consuming process. Form S-3 eligibility is essential to SCE&G's ability to offer and sell securities rapidly to take advantage of favorable transient market conditions.

SCE&G's common shares have general voting rights, and their registration under Section 12 of the Exchange Act would require SCE&G to undertake the effort and expense of preparing and filing a lengthy information statement with the Securities and Exchange Commission in connection with each annual shareholders meeting and each action taken by written consent of its sole shareholder, SCANA Corporation. Conversely, the Series A Nonvoting Preferred Shares proposed to be issued would carry no voting rights, and thus their registration under Section 12 of the Exchange Act would not trigger the requirement to file such information statements.

As stated in the Application, SCE&G would use the proceeds from the issuance of the Series A Nonvoting Preferred Shares for general corporate purposes.

After investigation by the South Carolina Office of Regulatory Staff and upon full consideration by the Commission, the Commission is of the opinion, and so finds, that the matters set forth in the Application and the exhibits thereto are proper and that the

purpose of the proposed issuance and sale of 1,000 shares of its Series A Nonvoting Preferred Shares and the use of the proceeds there from for general corporate purposes are reasonable and proper.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED:

1. That SCE&G is hereby granted a Certificate of Authority to issue and sell 1,000 Series A Nonvoting Preferred Shares to its parent company, SCANA Corporation, for an aggregate cash purchase price of \$100,000 as described in the Application.

2. That SCE&G be, and it hereby is, authorized to use the proceeds of the sale of the Series A Nonvoting Preferred Shares, solely or with other corporate funds in any case, for general corporate purposes.

3. That approval of the Application does not bind the Commission as to the ratemaking treatment of this issuance.

4. That this Order shall not, in any way, affect or limit the right, duty, or jurisdiction of the Commission to further investigate and order revisions, modifications, or changes with respect to any provision of this Order in accordance with the law.

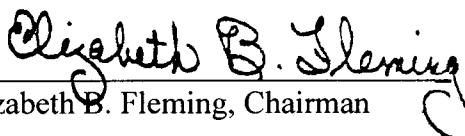
5. That the Commission strongly encourages SCE&G to carry out the transaction in such a manner as to attempt to minimize possible negative impacts that could be harmful to ratepayers.

MARCH 16, 2010

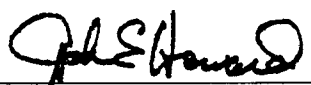
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6. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Elizabeth B. Fleming, Chairman

ATTEST:


John E. Moward, Vice Chairman

(SEAL)